



**Minnesota  
2018  
Advertising ROI  
Research**

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# Background and Purpose

- ✓ In the Spring and Summer of 2018, Minnesota launched an advertising campaign in key instate and out-of-state markets.
  - ✓ The campaign consisted of both traditional and online media including:
    - ✓ Broadcast and digital video.
    - ✓ Broadcast and digital radio.
    - ✓ Out-Of-Home, including ads in malls, outdoor digital screens, billboards and event installations.
    - ✓ Print ads.
    - ✓ Online banner ads, Facebook/social media ads and e-newsletters.
- ✓ Longwoods was engaged to conduct a program of research designed to:
  - ✓ Measure the effectiveness of the advertising campaign in bringing visitors to Minnesota during the campaign period and shortly thereafter, and increasing intentions to visit in the future.
  - ✓ Estimate the return on advertising investment yielded by the campaign, in terms of incremental spending in Minnesota by those visitors, and incremental taxes generated by that spending.

\*Existing markets: MN, ND, SD, IA, WI, Northern IL, Winnipeg Canada  
Expansion markets: CO, NE, Eastern KS, Western MO, Thunder Bay Canada



# Method

- ✓ A benchmark study was conducted after the conclusion of the advertising period to measure awareness of specific ads, estimate the impact of advertising awareness on intentions to visit and image, and measure short-term conversion that occurred during and shortly after the campaign period.

- ✓ A national self-completion survey of 1,400 respondents in the advertising markets, distributed as follows:

Minnesota	135	Colorado	280
North Dakota	30	Eastern Kansas	100
South Dakota	30	Western Missouri	195
Iowa	80	Nebraska	115
Wisconsin	150	Thunder Bay Canada	10
Winnipeg Canada	30		
Northern Illinois	245		

- ✓ Respondents are members of a major online consumer research panel.
- ✓ Adults 18 years of age and older were randomly selected from the panel, so as to ensure a representative sample.
- ✓ Sample was drawn to be proportionate to population by specific cities/regions, age, sex and income.

# Method (Cont'd)

- ✓ The survey took an average of 25 minutes to complete.
- ✓ During the survey respondents were shown copies of the advertising materials, including video files of media-rich ads. This was done at the end of the survey so as not to bias earlier questions on attitudes towards Minnesota and other behavioral measures.
- ✓ The fieldwork was conducted in October 2018.
- ✓ Data were weighted on key demographic variables (region, age, sex, household income) prior to analysis to ensure that results are representative of and projectable to the traveler population in specific DMAs.
- ✓ For a sample of this size, the confidence level is  $\pm 2.5\%$ , 19 times out of 20.

# Method (Cont'd)

- ✓ The estimates of the campaign's impacts on visits and intentions to visit Minnesota are conservative in that:
  - ✓ Trips taken/intended by people in the absence of advertising are backed out.
  - ✓ Conservative control procedures help ensure that only advertising-influenced trips are included.
- ✓ Unless otherwise noted, results shown are representative of all respondents surveyed (n=1,400 travelers).
- ✓ "Travelers" means respondents had taken a day and/or overnight pleasure trip anywhere in the past 3 years and intend to take another in the next 2 years.



## Conclusions and Recommendations

# Conclusions and Recommendations

- Minnesota's spring/summer campaign in core markets generated considerable awareness:
  - Reaching 57% of the intended target audience of travelers.
- The advertising had a positive effect on actual travel to Minnesota in the period we measured from campaign launch:
  - Yielding 3.5 million incremental trips over and above the travel that would have occurred in the absence of advertising.
- This incremental travel translates into additional visitor expenditures of \$415 million and \$40.7 million in incremental taxes collected while those travelers were in Minnesota.
- In the short-term, the \$4.1 million in media costs have generated an ROI of \$101 in visitor spending for each ad dollar spent.
- We would expect some additional carry-over impacts as well, since the advertising had a substantial impact on intended travel:
  - Producing 3.7 million incremental planned trips to Minnesota.





## **Main Findings: Advertising Impacts**

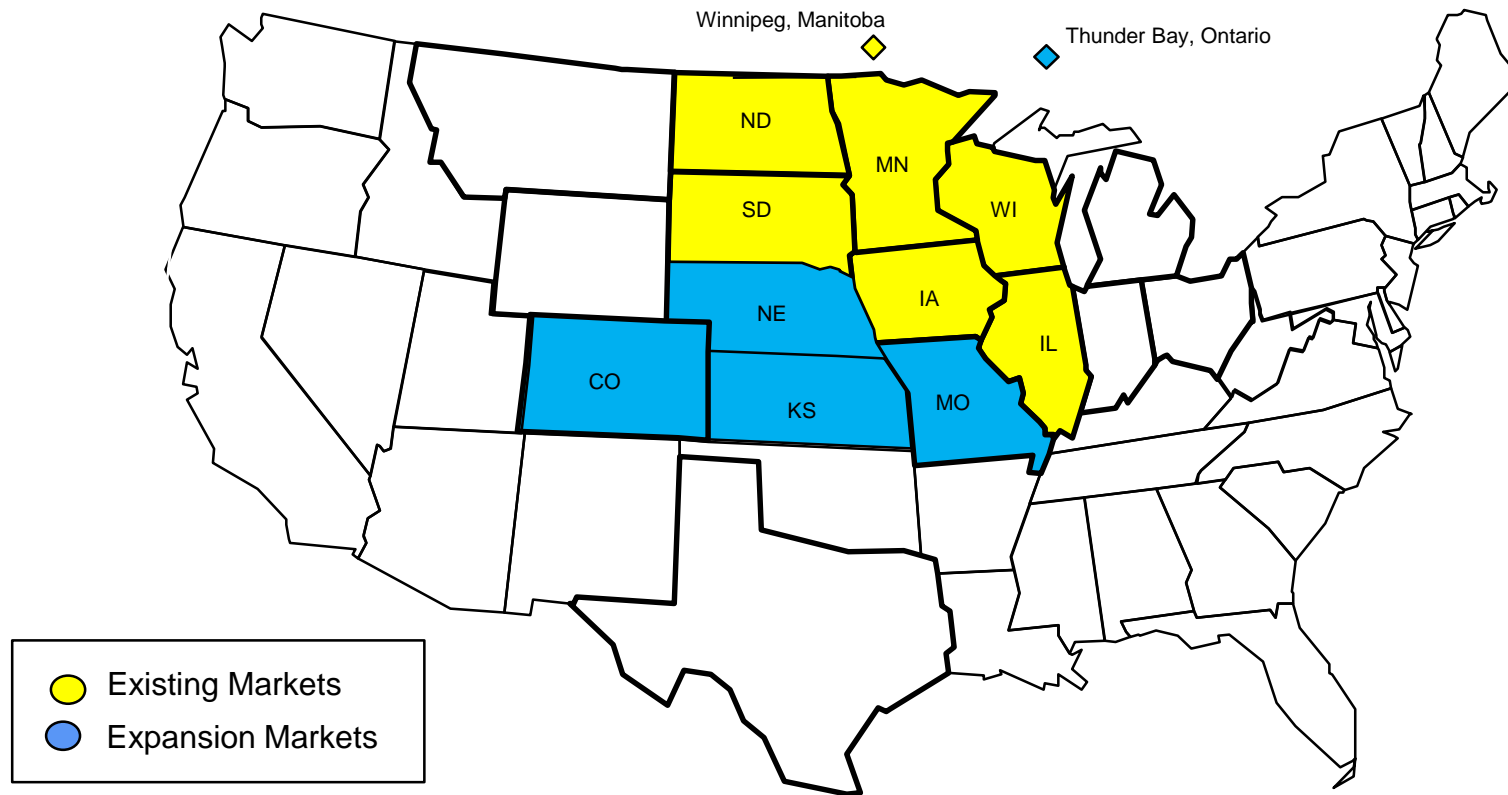


## Advertising Awareness

# Advertising Impacts

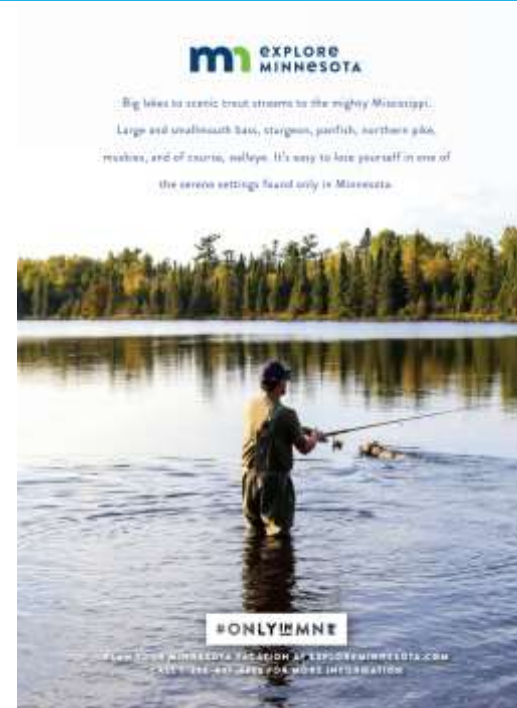
- 57% of all respondents were aware of at least one of Explore Minnesota Tourism's ads.
- Among those who saw Minnesota ads in several types of media, ad recall was highest for digital (46%) and television ads (33%). Among those who only saw ads in one medium, digital ads had the highest recall (6%).
- The campaign generated 3.5 million incremental trips that would not otherwise have taken place, which brought \$415 million in incremental visitor spending and \$40.7 million in state and local taxes.
- 1.9 million incremental trips were overnight trips and 1.6 million were day trips.
- It cost \$1.18 in advertising to generate each incremental trip.
- Every \$1 invested in the Minnesota ad campaign in the evaluated markets generated \$101 in visitor spending and \$10 in state and local tax revenue for the benefit of Minnesota residents.
- In addition to the short-term impacts, we estimate that the advertising has influenced the planning of a further 3.76 million trips to Minnesota. Although not all of these trips will happen, we expect that a sizeable proportion will convert, adding significantly to the return on Minnesota's investment in tourism marketing.

# Minnesota Advertising Markets



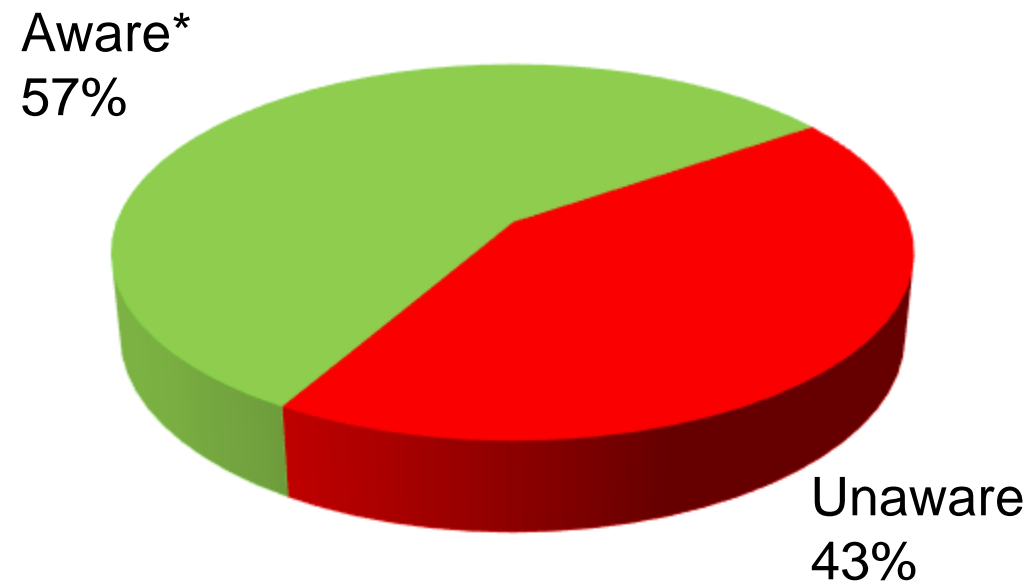


# The Campaign



# Awareness of the Ad Campaign

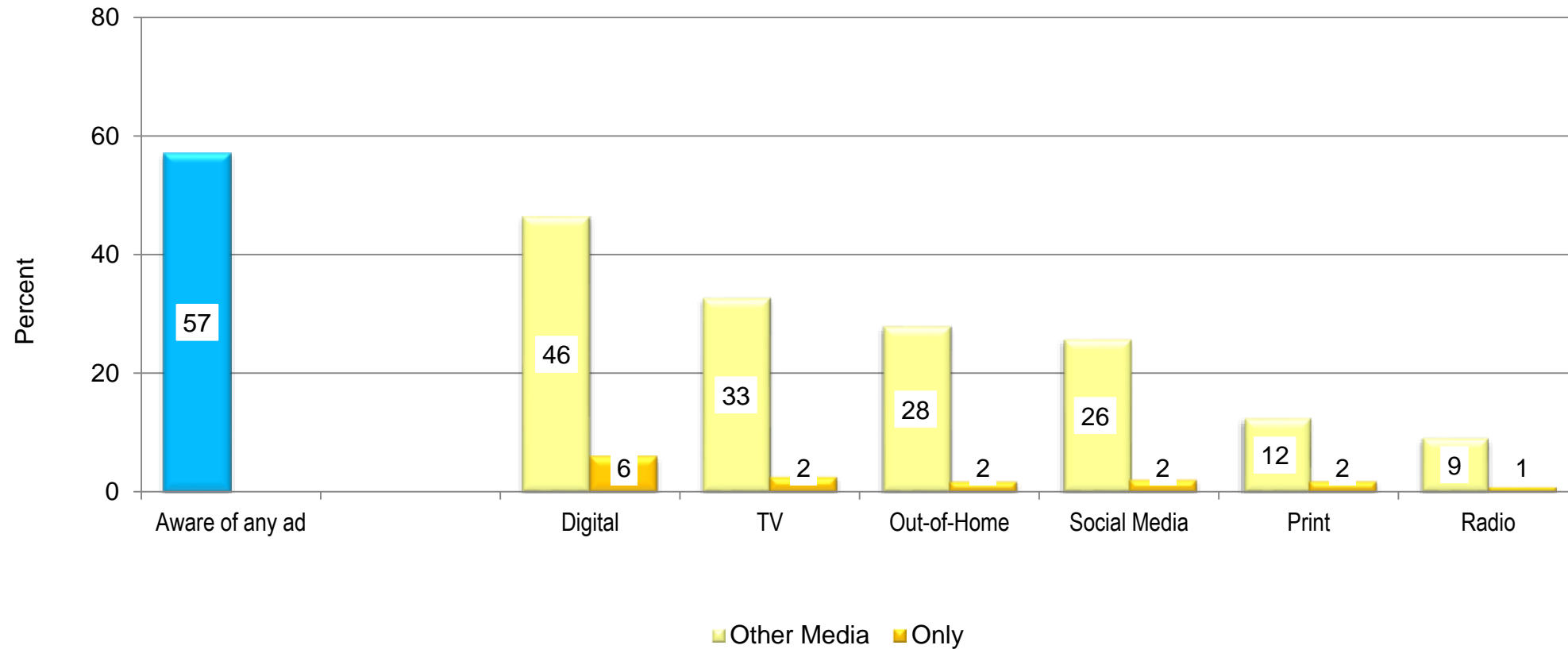
Base: Residents of Minnesota's Regional Advertising Markets



\*Saw at least one ad

# Advertising Awareness\* by Medium

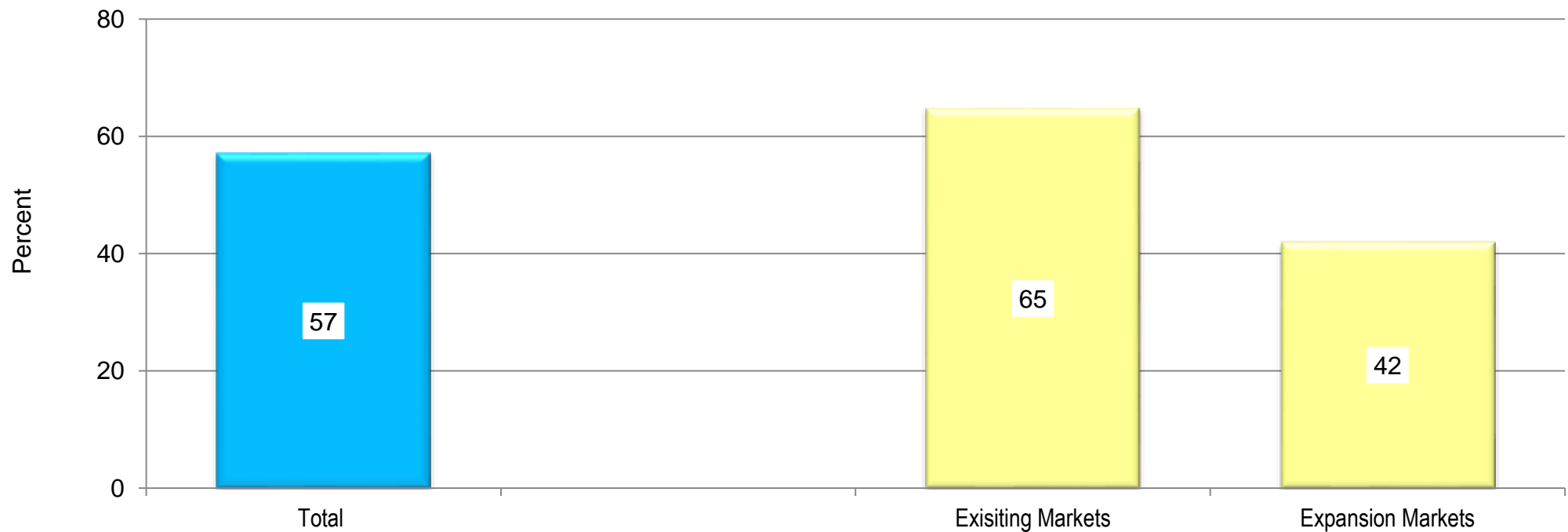
Base: Residents of Minnesota's Regional Advertising Markets



\*Saw at least one ad

# Awareness\* by Market

Base: Residents of Minnesota's Regional Advertising Markets

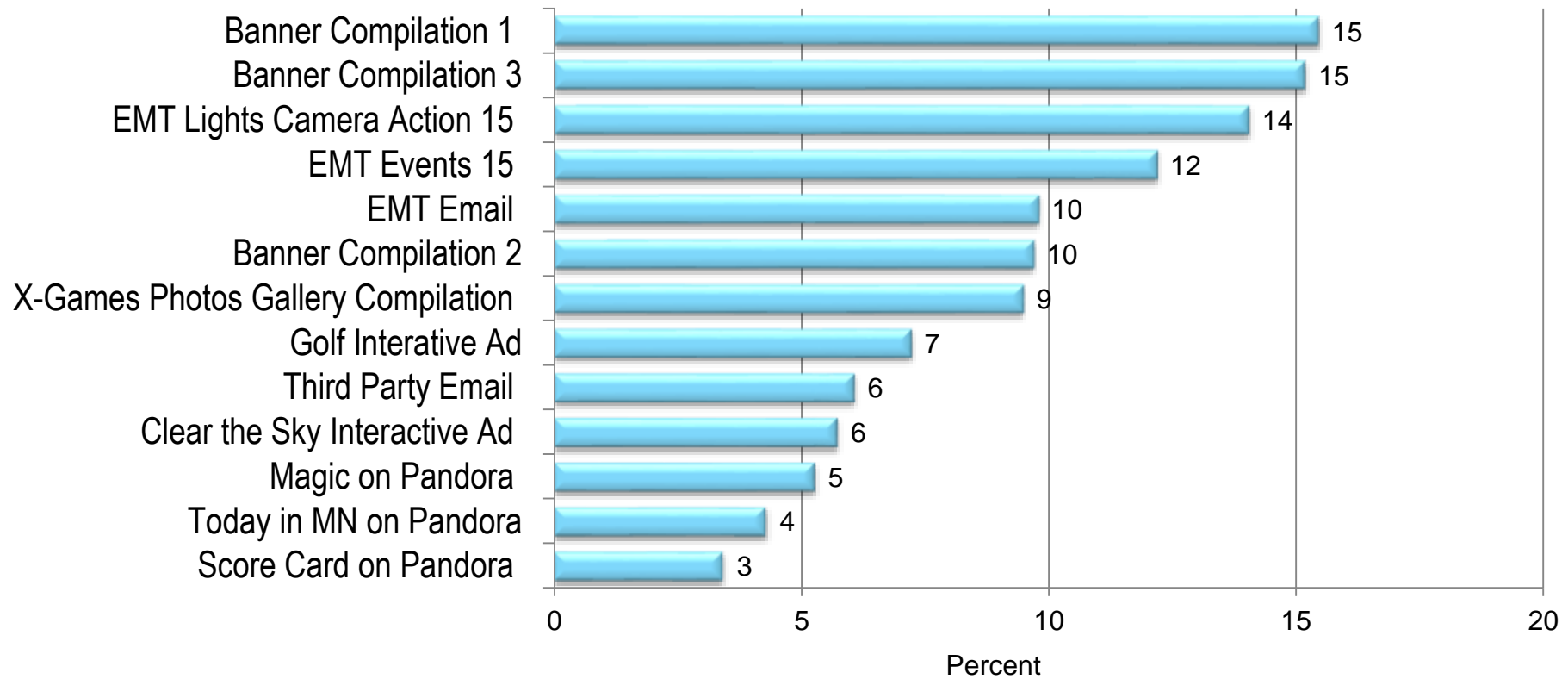


\*Saw at least one ad



# Awareness of Individual Ads\*

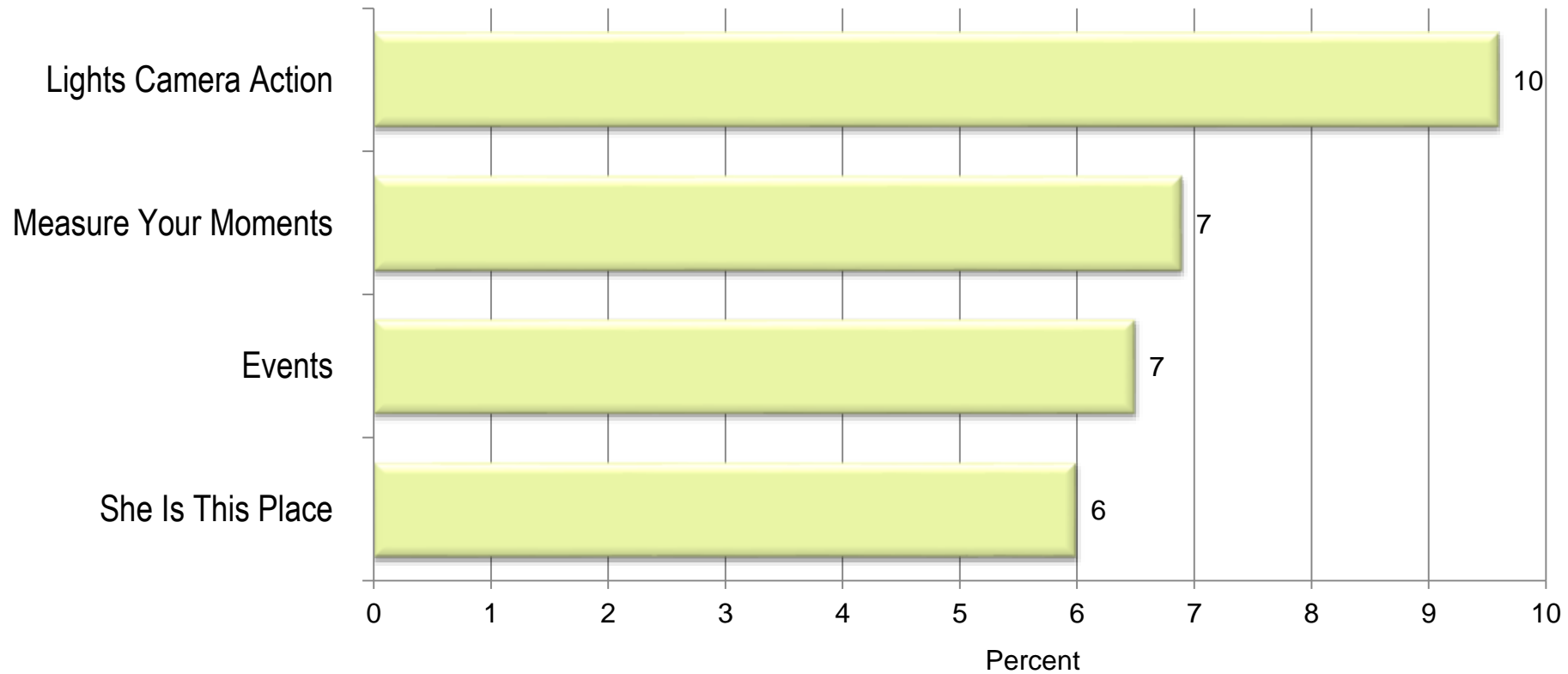
## — Digital



\*Based on markets where shown

# Awareness of Individual Ads\*

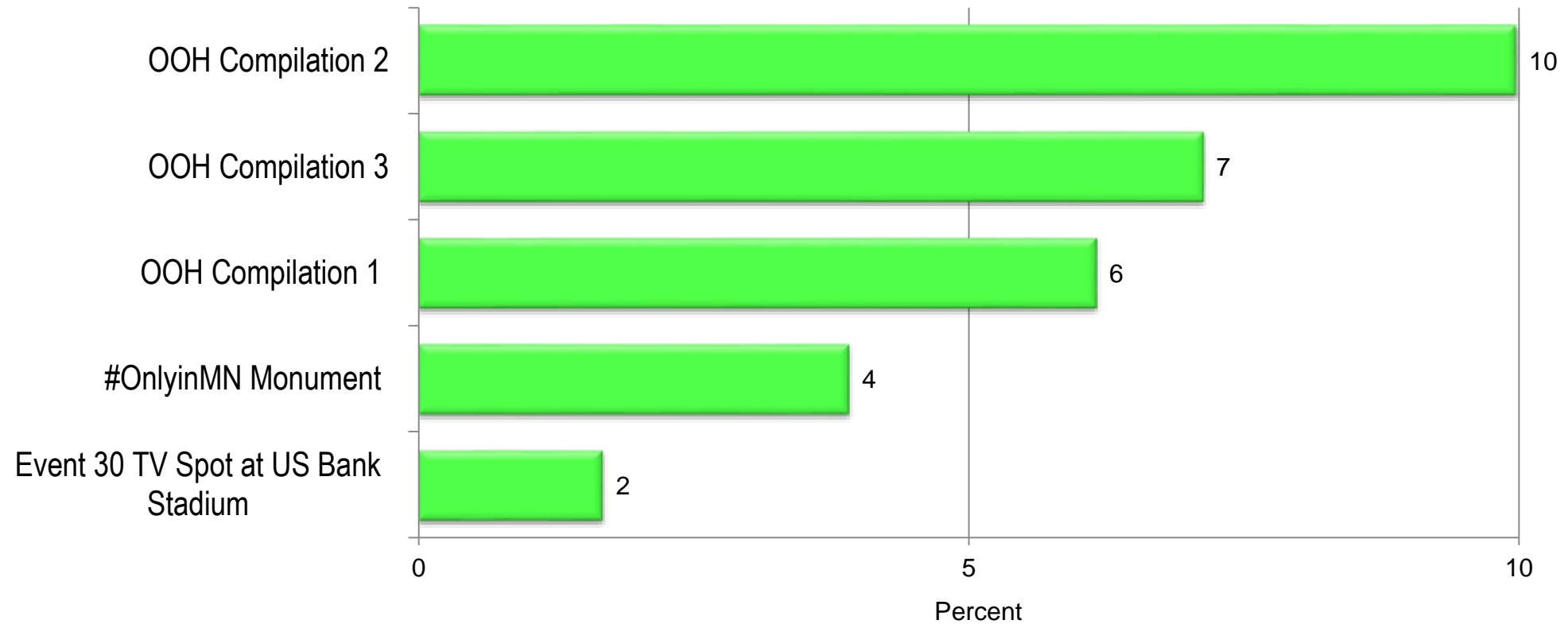
## — TV



\*Based on markets where shown

# Awareness of Individual Ads\*

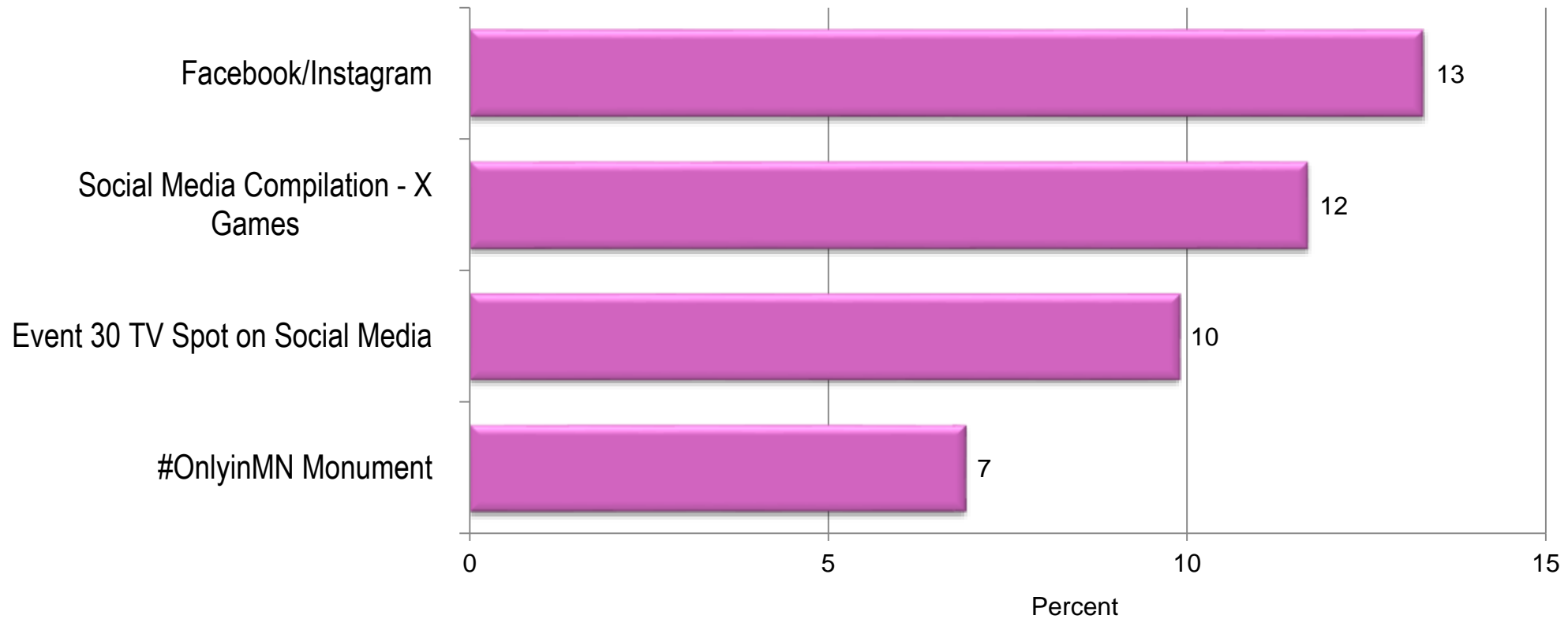
## — Out-of-Home



\*Based on markets where shown

# Awareness of Individual Ads\*

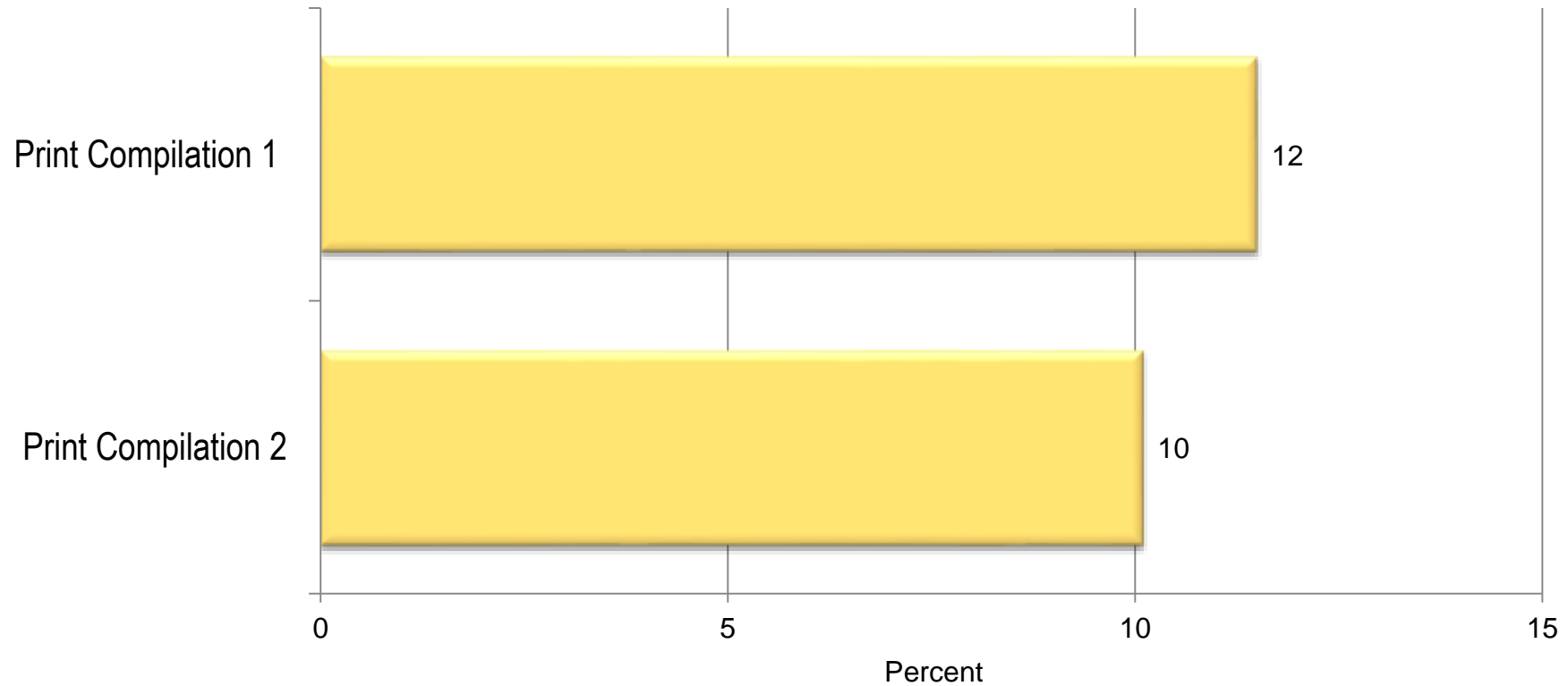
## — Social Media



\*Based on markets where shown

# Awareness of Individual Ads\*

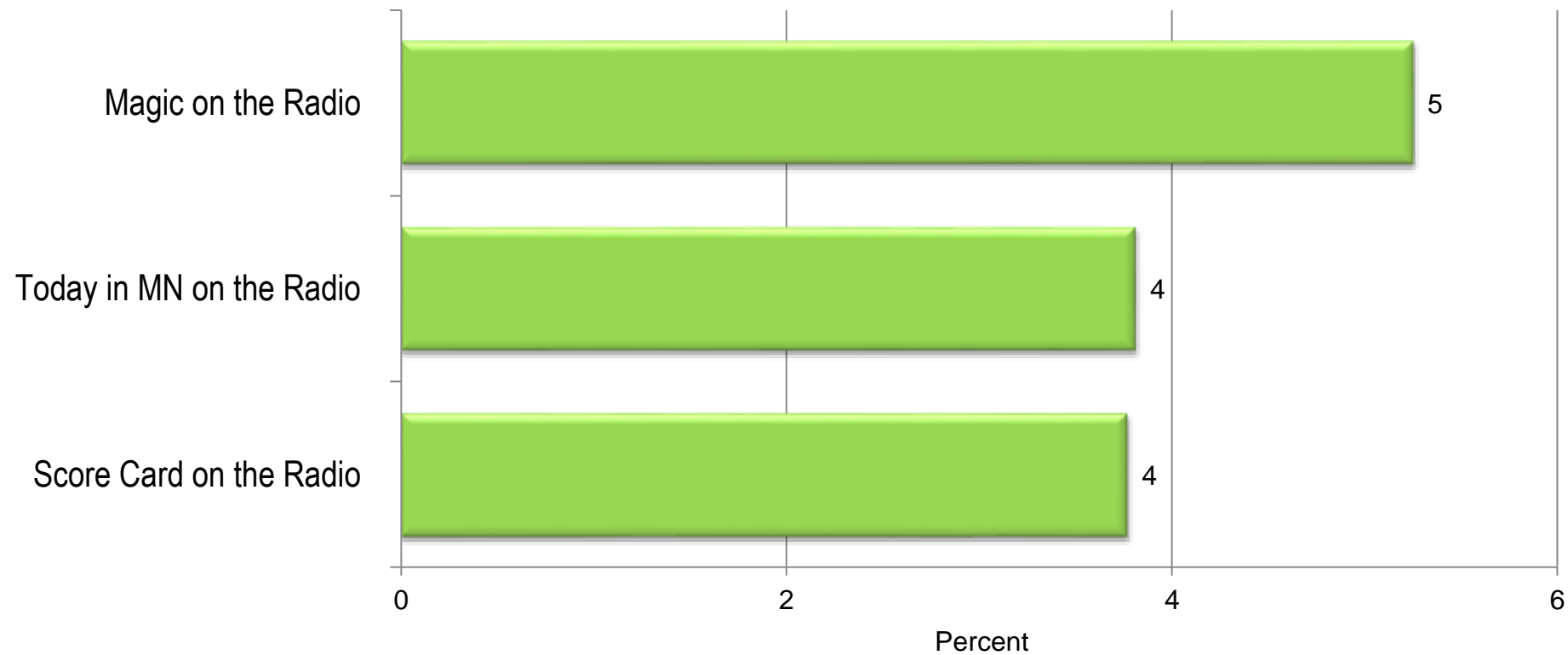
## — Print



\*Based on markets where shown

# Awareness of Individual Ads\*

## — Radio



\*Based on markets where shown



## Short Term Conversion



# Advertising Impacts

- The campaign also produced an additional 3.5 million trips to Minnesota that otherwise would not have materialized in the absence of advertising.
- Using Minnesota's estimates of average visitor expenditures, we estimate that these incremental Minnesota visitors spent \$415 million while in Minnesota and \$40.7 million in incremental taxes were collected.
  - When related to advertising costs of \$4.1 million, this translates into a return on investment of \$101 in visitor spending and a tax ROI of \$10 for each ad dollar spent.



# Incremental Trips, Spending and Taxes Due to Advertising

	Existing Markets	Expansion Markets	Combined
Ad Investment	\$3.1M	\$ 1.1M	\$ 4.1M
Incremental Trips	3.1M	0.4M	3.5M
Incremental Visitor Spending	\$ 365.5M	\$ 50.0M	\$ 415.5M
Incremental Taxes	\$ 35.8M	\$ 4.9M	\$ 40.7M
Incremental Jobs**			4,250
Incremental Employee Income**			\$110M

- Spending is based on \$168 per person for overnight trips and \$60 per person for day trips in 2017
  - Ad Investment includes Production/Fulfillment/Other Costs
  - Effective tax rate developed from 2018 MN Adv. Impact Analysis 9.8%
- \*\*Combined data only. Detailed spending data for markets not available to conduct additional analysis.

# Incremental Trips Due to Advertising

	Existing Markets	Expansion Markets	Combined
Overnight Trips	1,665,913	247,525	1,913,438
Day Trips	1,432,640	141,660	1,574,300
Total	3,098,553	389,185	3,487,738

# Incremental Spending and Taxes Due to Advertising – By Overnight and Day Trips

	Existing Markets	Expansion Markets	Combined
Overnight Incremental Visitor Spending	\$279.2M	\$41.5M	\$320.7M
Day Incremental Visitor Spending	\$86.3M	\$8.5M	\$94.8M
Total Incremental Visitor Spending	\$365.5M	\$50.0M	\$415.5M
Overnight Incremental Taxes	\$27.4M	\$4.1M	\$31.4M
Day Incremental Taxes	\$8.5M	\$0.8M	\$9.3M
Total Incremental Taxes	\$35.8M	\$4.9M	\$40.7M

# 2018 Campaign Efficiency

	Existing Markets	Expansion Markets	Combined
Ad \$'s per Trip	\$0.99	\$2.72	\$1.18
Trips per Ad \$	1.0	0.4	0.8

# The Bottom Line in 2018

	Existing Markets	Expansion Markets	Combined
Spending ROI	\$119	\$47	\$101
Tax ROI	\$12	\$5	\$10
Income ROI**			\$27
Jobs per \$1000 invested**			1

\*\*Combined data only. Detailed spending data for markets not available to conduct additional analysis.

# Longer-term Impact of Advertising

## – Intent to Visit Minnesota

Intend to Visit Minnesota in Next 12 Months*	
Overnight Trip Intenders	1,953,885
Day Trip Intenders	1,803,911
Total Intenders	3,757,796

\* Among those who did not visit Minnesota in 2018



## Halo Effect on Economic Development Image - 2017\*

\* The most recent halo effect analysis was part of Explore Minnesota's 2017 advertising evaluation study

# Background

- ✓ Tourism marketing research has long demonstrated that tourism advertising and the visitation it inspires have a positive impact on consumers' image of destinations as a place for leisure travel and recreation. Applying the psychological concept of the “halo effect” to tourism promotion advertising, Longwoods set out to determine if the gains in image for Minnesota from its tourism advertising would extend beyond the appeal as a place to visit. Could it be that economic objectives could be achieved such as viewing Minnesota more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire?
- ✓ Longwoods International has conducted this research for multiple state and city destination across the U.S. For this study, 1,400 consumers were surveyed for Minnesota's 2017 “#Only in MN” campaign.



# Findings

- ✓ In every case, Minnesota's tourism advertising and subsequent visitation significantly improved the image of Minnesota not only as a place to visit, but also for a wide range of other economic development objectives.
- ✓ The research compared the rankings by those who had not seen the "#OnlyinMN" campaign or visited Minnesota with those who did see the tourism ads and/or visited.
- ✓ For each economic development objective, the most dramatic improvement in image was by those consumers who both were exposed to the advertising campaign message and visited Minnesota.

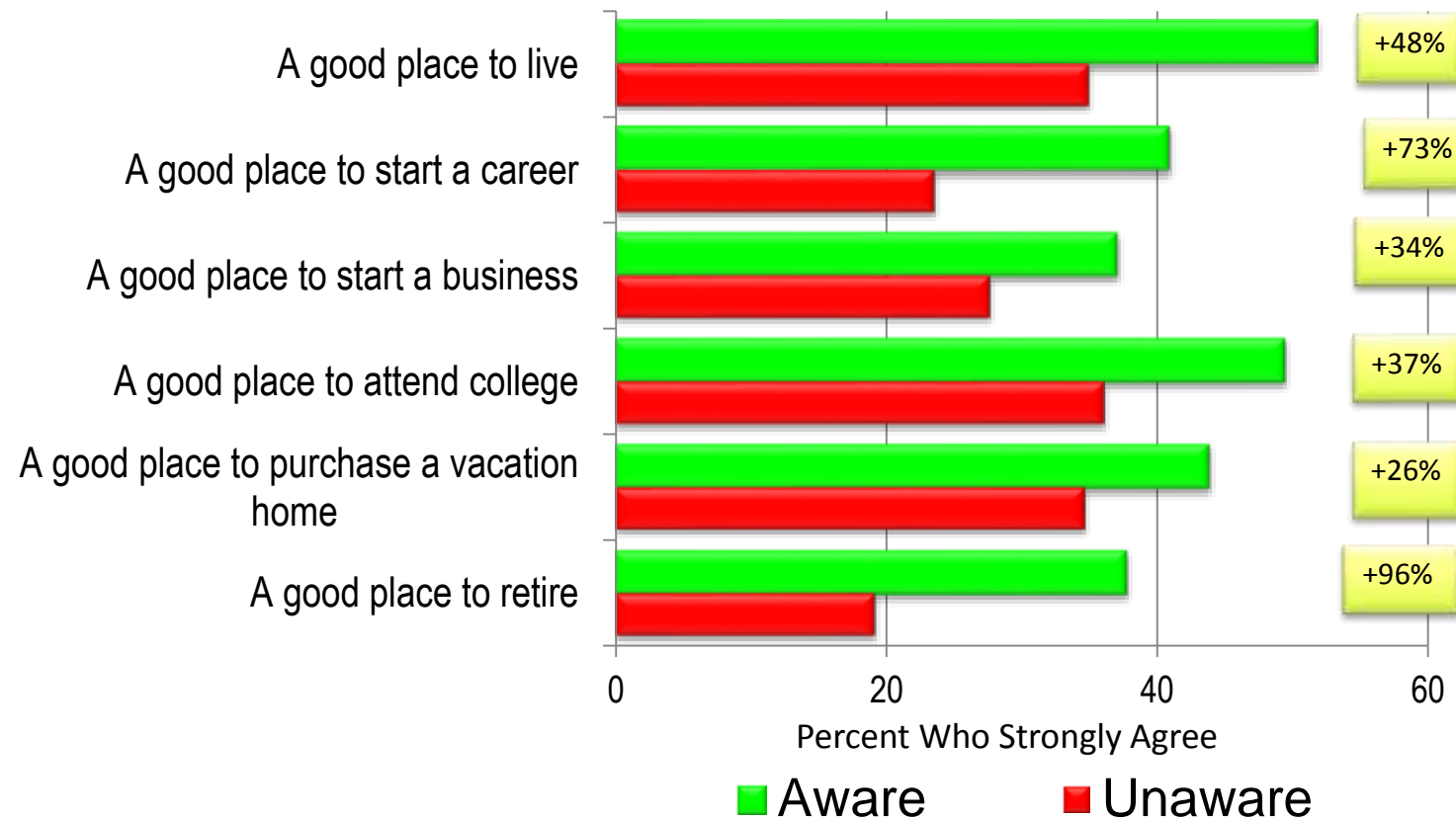
# Distribution of Awareness

- ✓ Specifically, the Minnesota “#OnlyinMN” advertising campaign created a strong image lift. For example, those who saw the Minnesota ad campaign were 34% more likely to view Minnesota as “a good place to start a business” than those who had not seen the ads. Those who had visited Minnesota were 54% more likely to view Minnesota as “a good place to start a business” than those who have not visited, and those who had both seen the campaign and visited were 77% more likely to view Minnesota as “a good place to start a business.” The same pattern holds true for all six economic development objectives in the study.

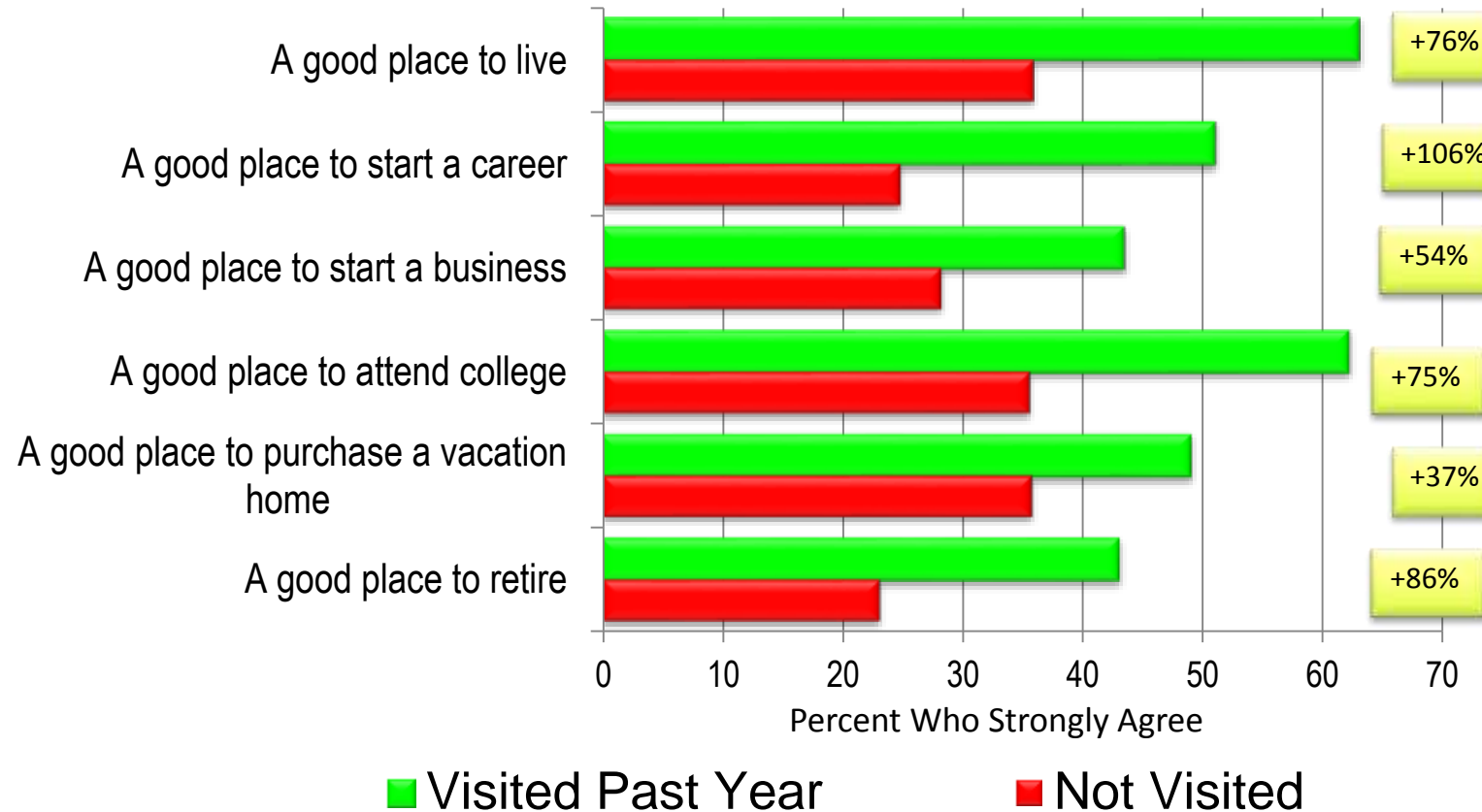
# What this means ...

- ✓ Tourism functions as the front door for economic development because if Minnesota is successful in attracting visitors to the state, those people view Minnesota more favorably as a place to live, work, start a business, attend college, purchase a vacation home and retire.
- ✓ Tourism can play a very powerful role in helping Minnesota achieve its economic development objectives and this new data definitely will jumpstart that conversation.

# Impact of Minnesota's 2017 Tourism Campaign on State's Economic Development Image

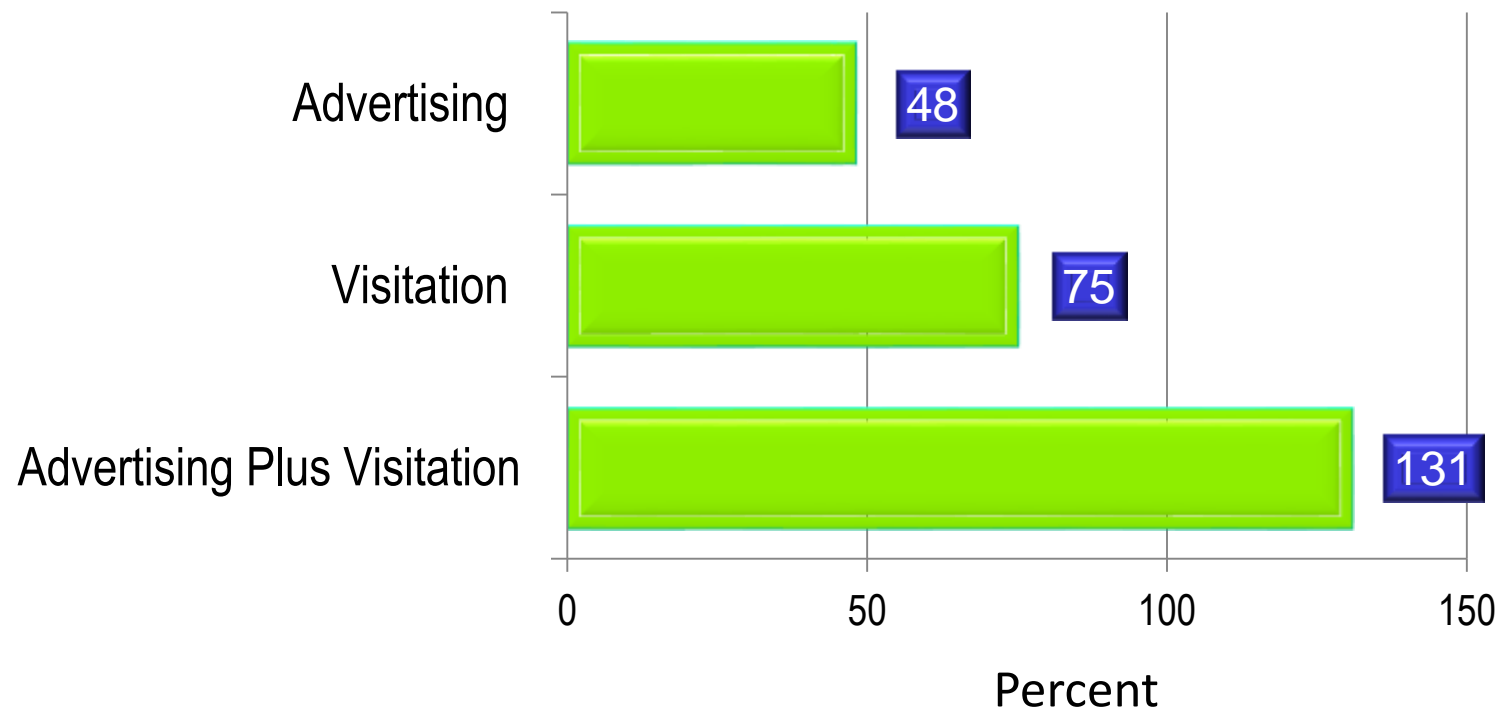


# Impact of *Visitation* on Minnesota's Economic Development Image - 2017



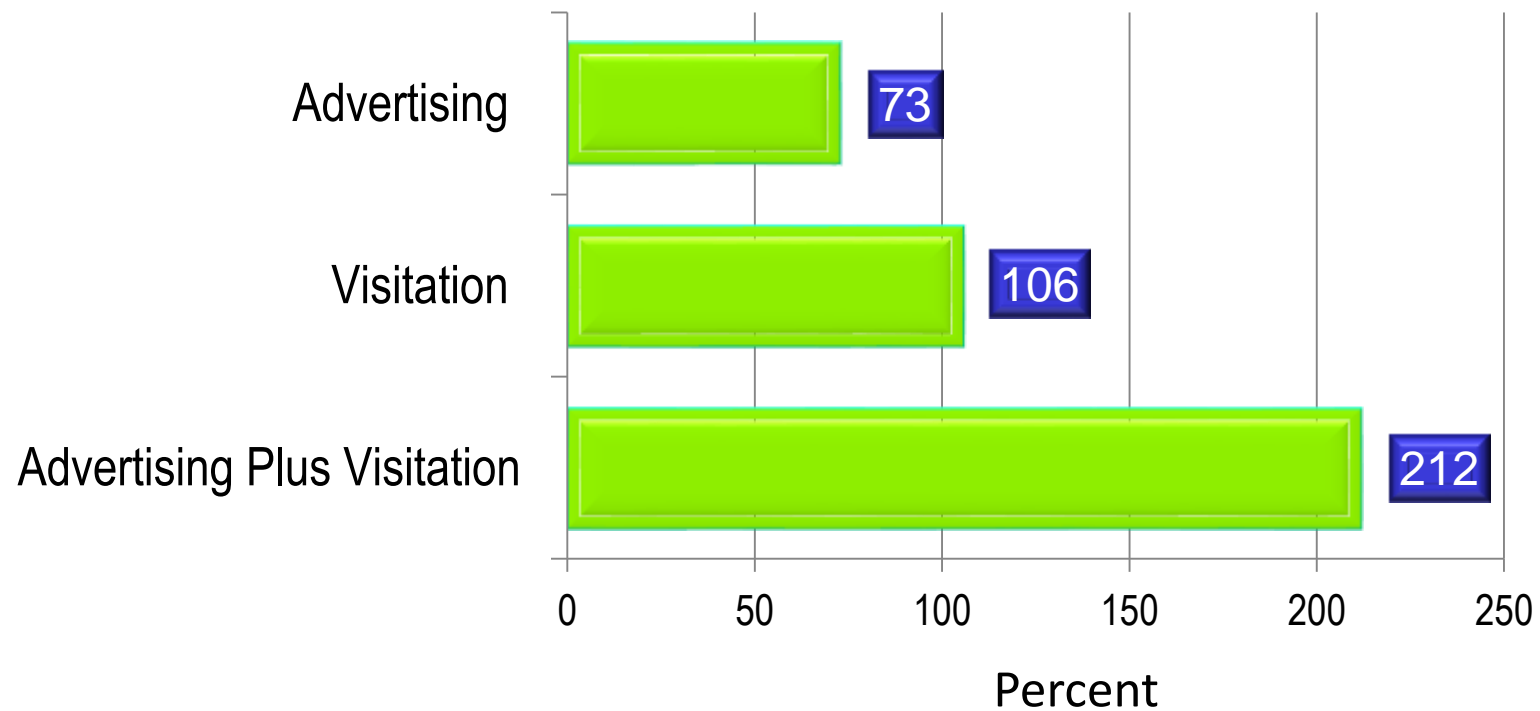
# “A Good Place to Live” - 2017

## % Image Lift for Minnesota



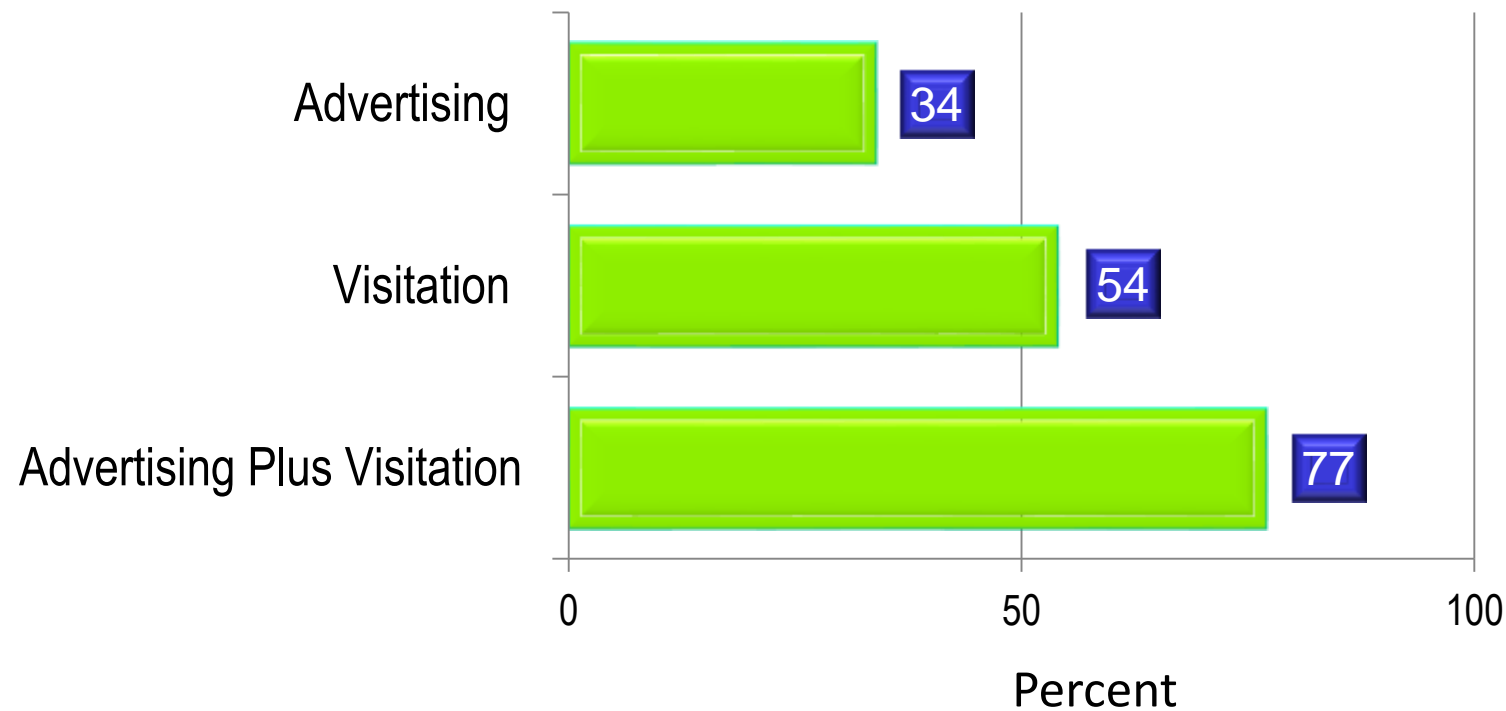
# “A Good Place to Start a Career” - 2017

## % Image Lift for Minnesota



# “A Good Place to Start a Business” - 2017

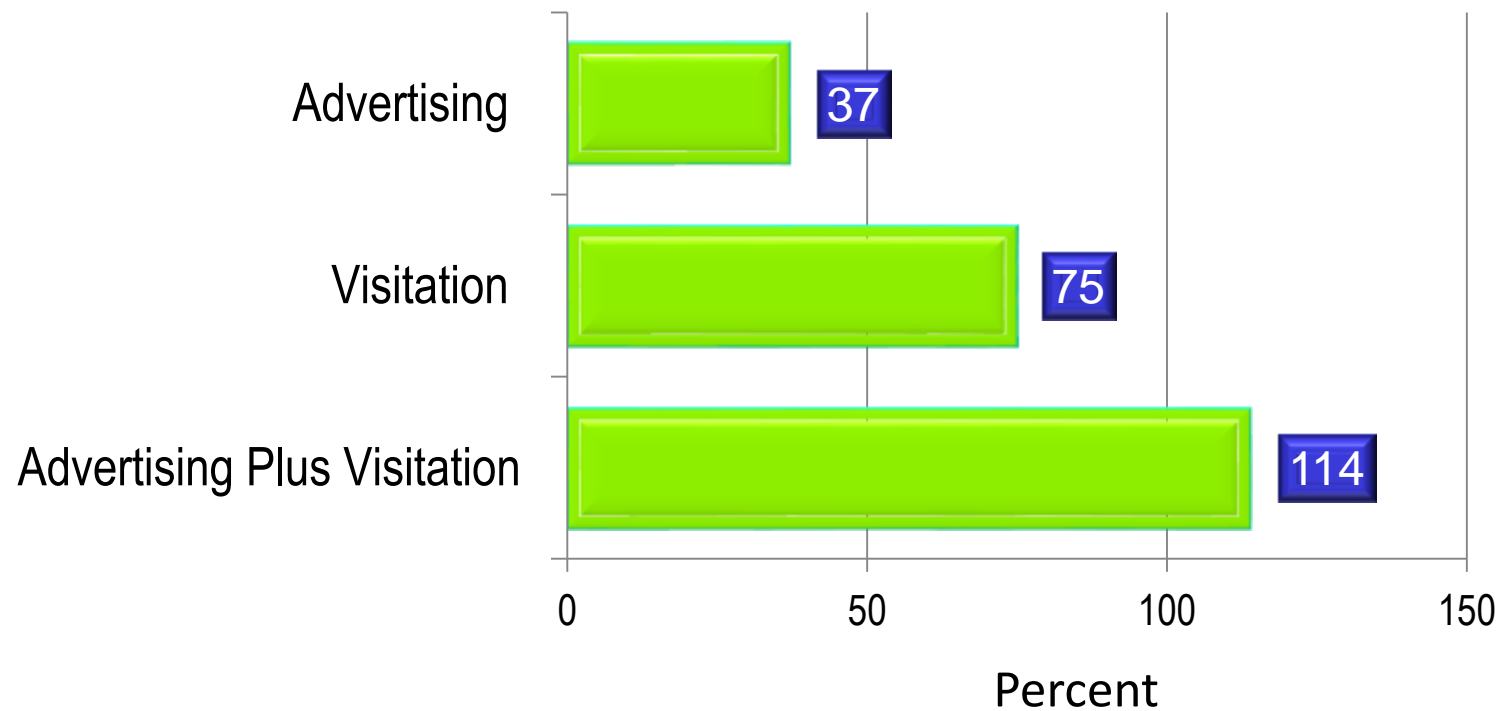
## % Image Lift for Minnesota



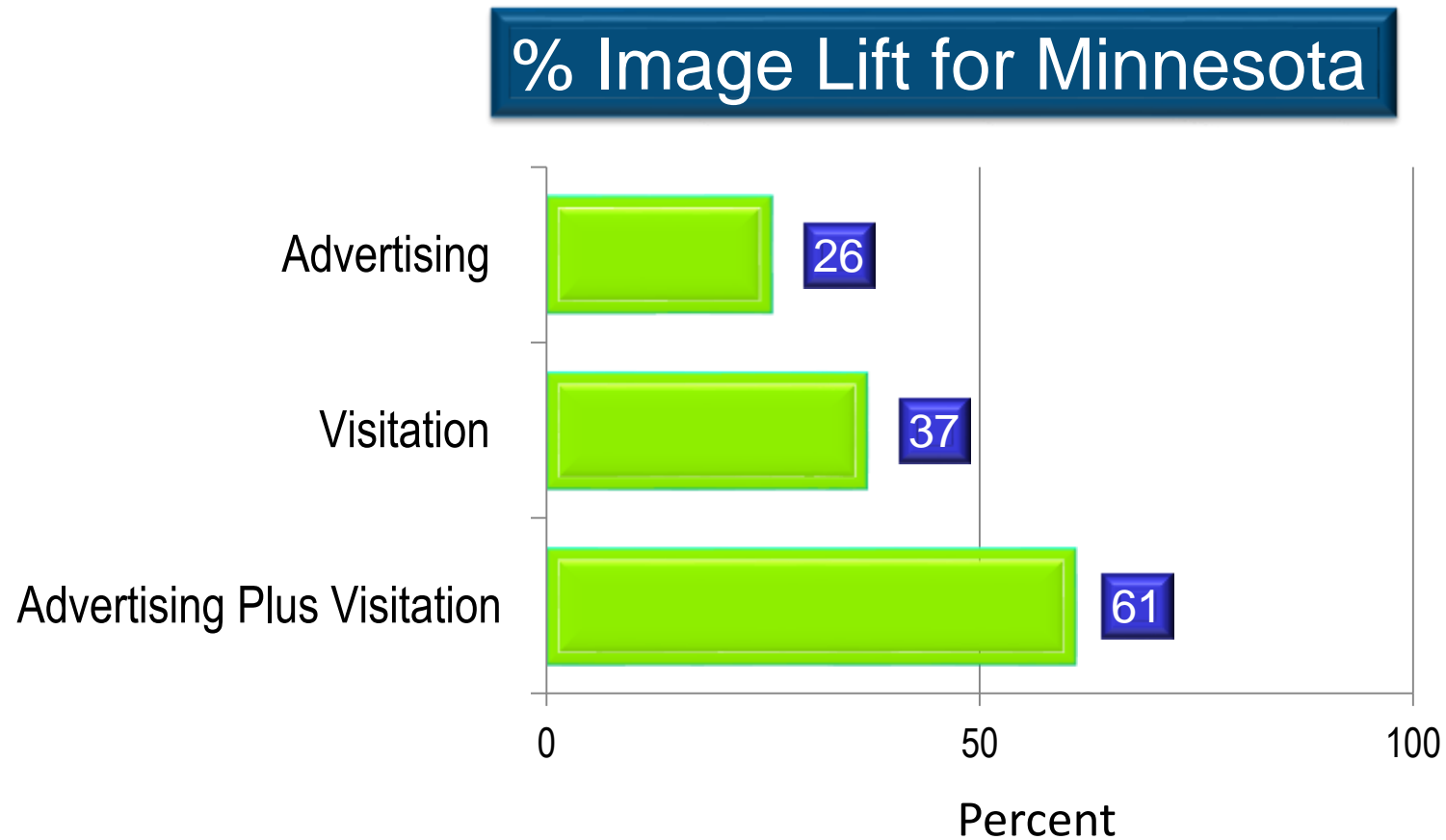


# “A Good Place to Attend College” - 2017

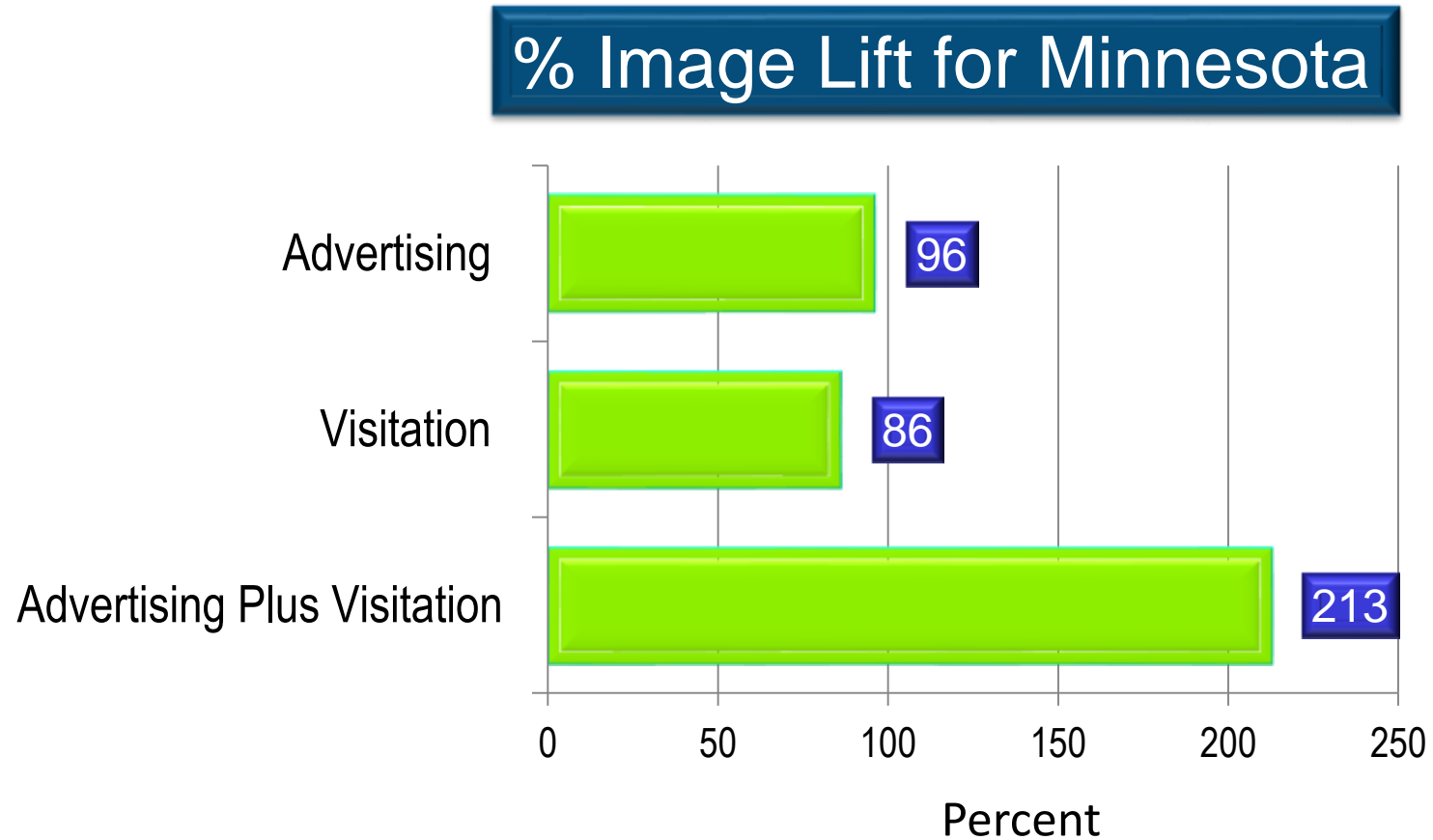
## % Image Lift for Minnesota



# “A Good Place to Purchase a Vacation Home” - 2017



# “A Good Place to Retire” - 2017

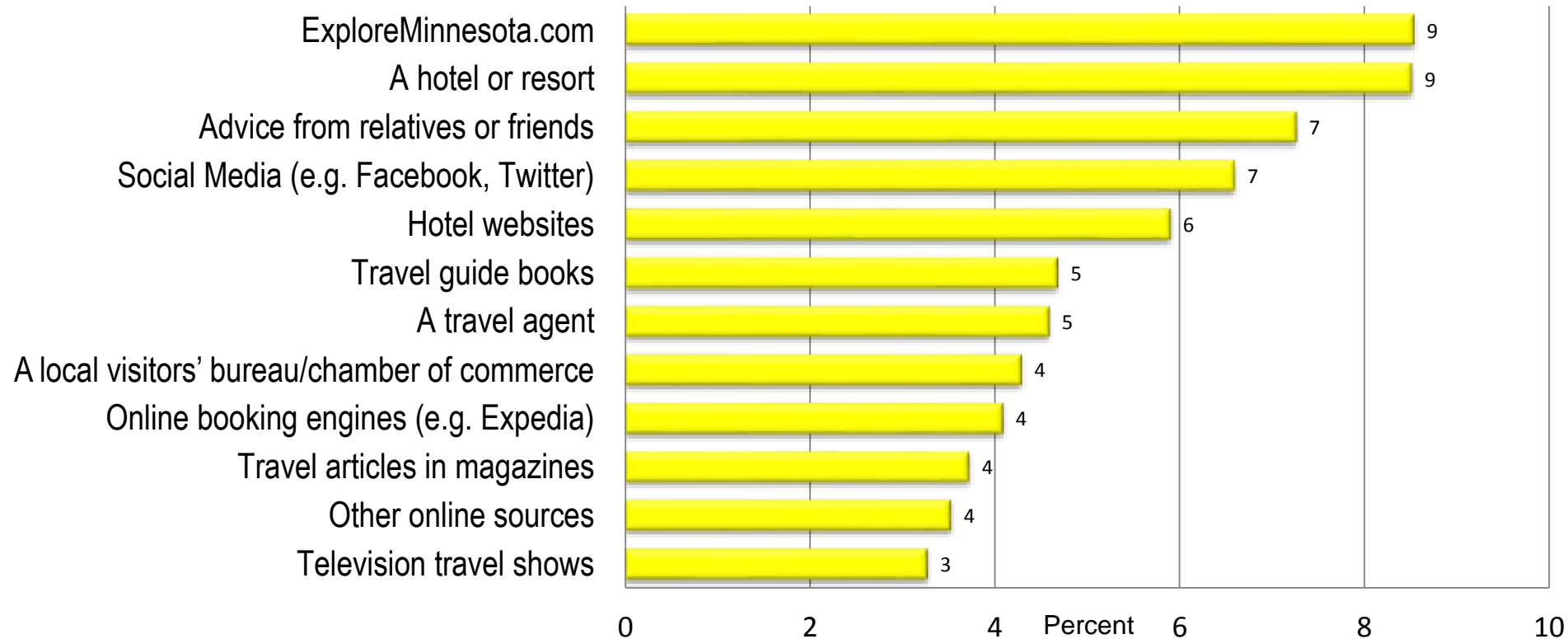




## Information Sources and Social Media

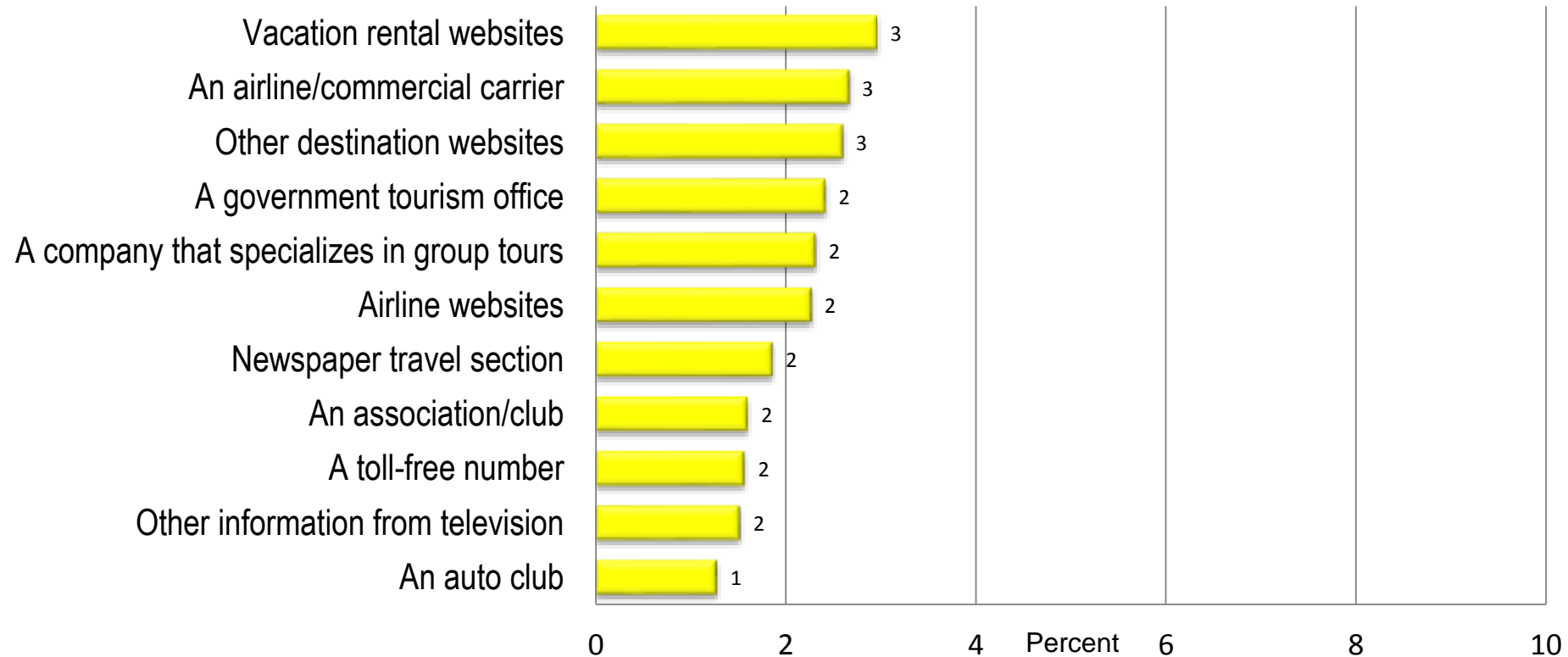
# Information Sources Used for Trip Planning After Seeing Ads

Base: Residents of Minnesota's Regional Advertising Markets



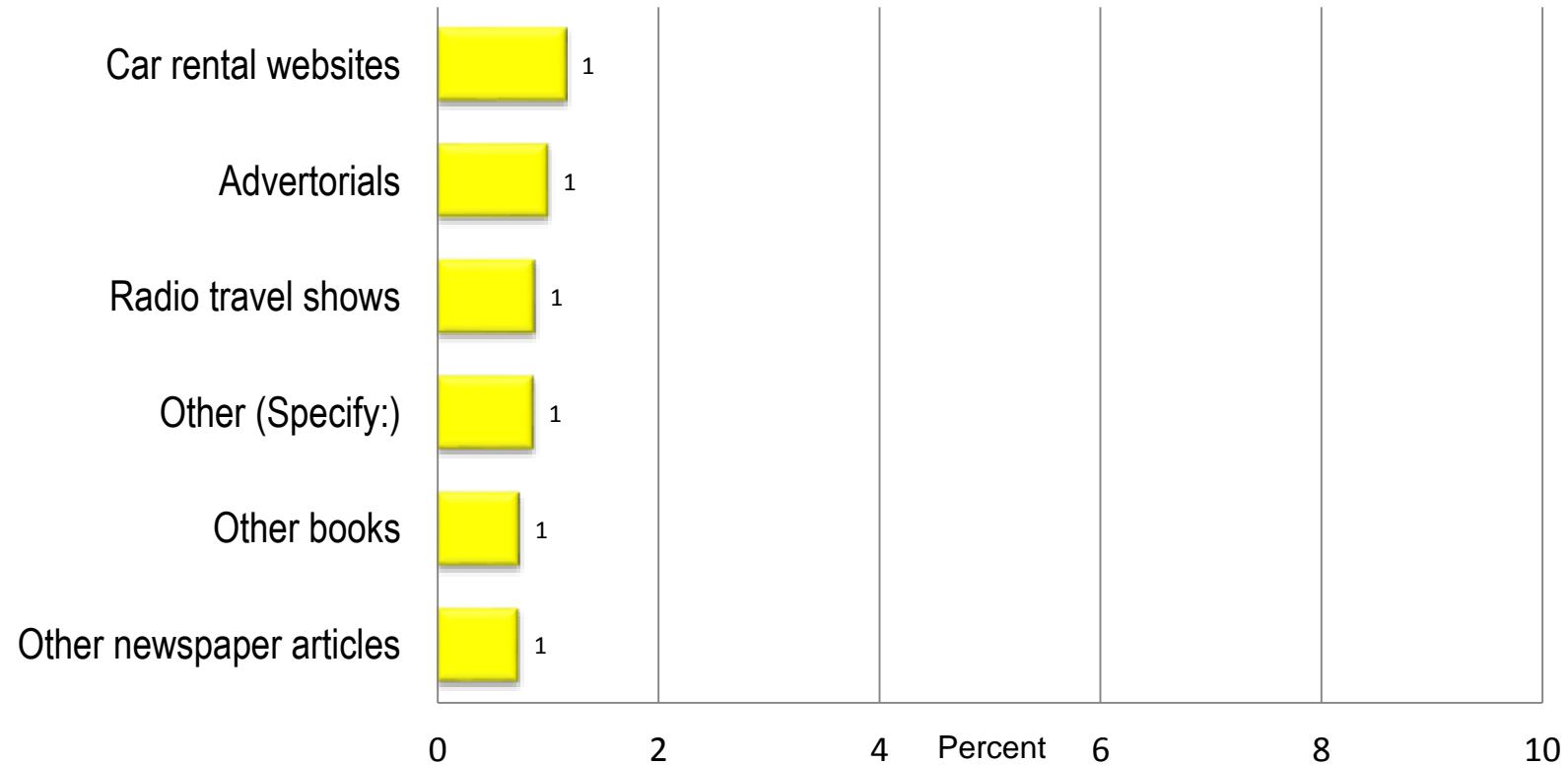
# Information Sources Used for Trip Planning After Seeing Ads (Cont'd)

Base: Residents of Minnesota's Regional Advertising Markets



# Information Sources Used for Trip Planning After Seeing Ads (Cont'd)

Base: Residents of Minnesota's Regional Advertising Markets



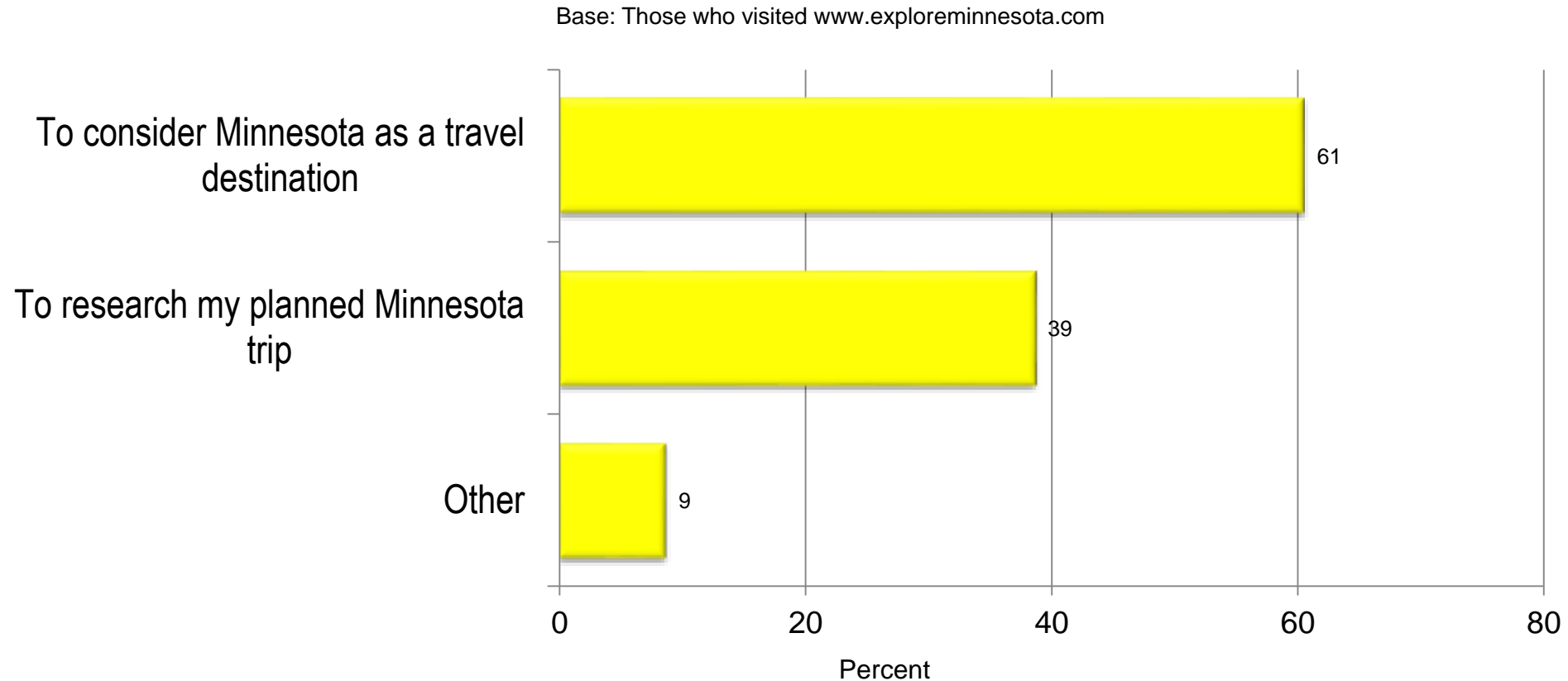
# Do you recall visiting the Travel Website [www.exploreminnesota.com](http://www.exploreminnesota.com)?

Base: Residents of Minnesota's Regional Advertising Markets



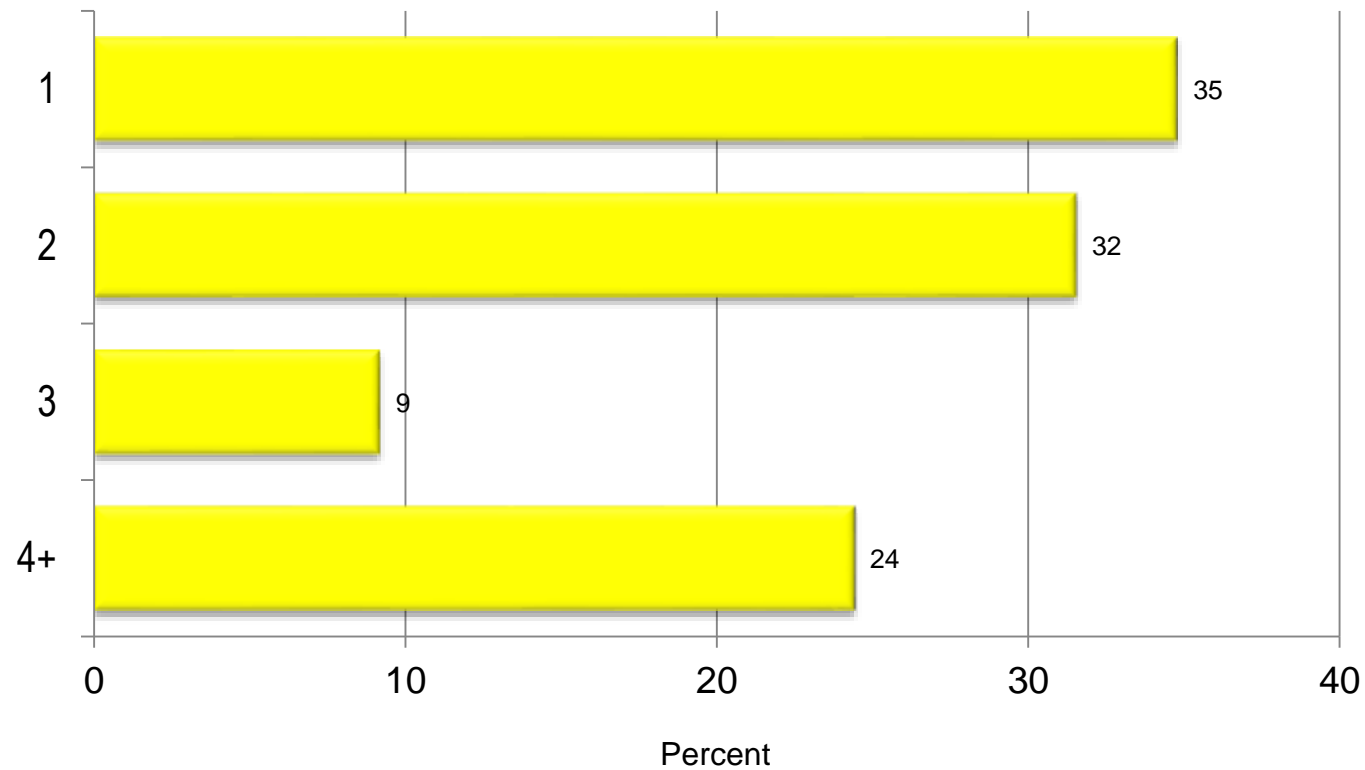


# At what point in your trip planning process did you visit [www.exploreminnesota.com](http://www.exploreminnesota.com)?



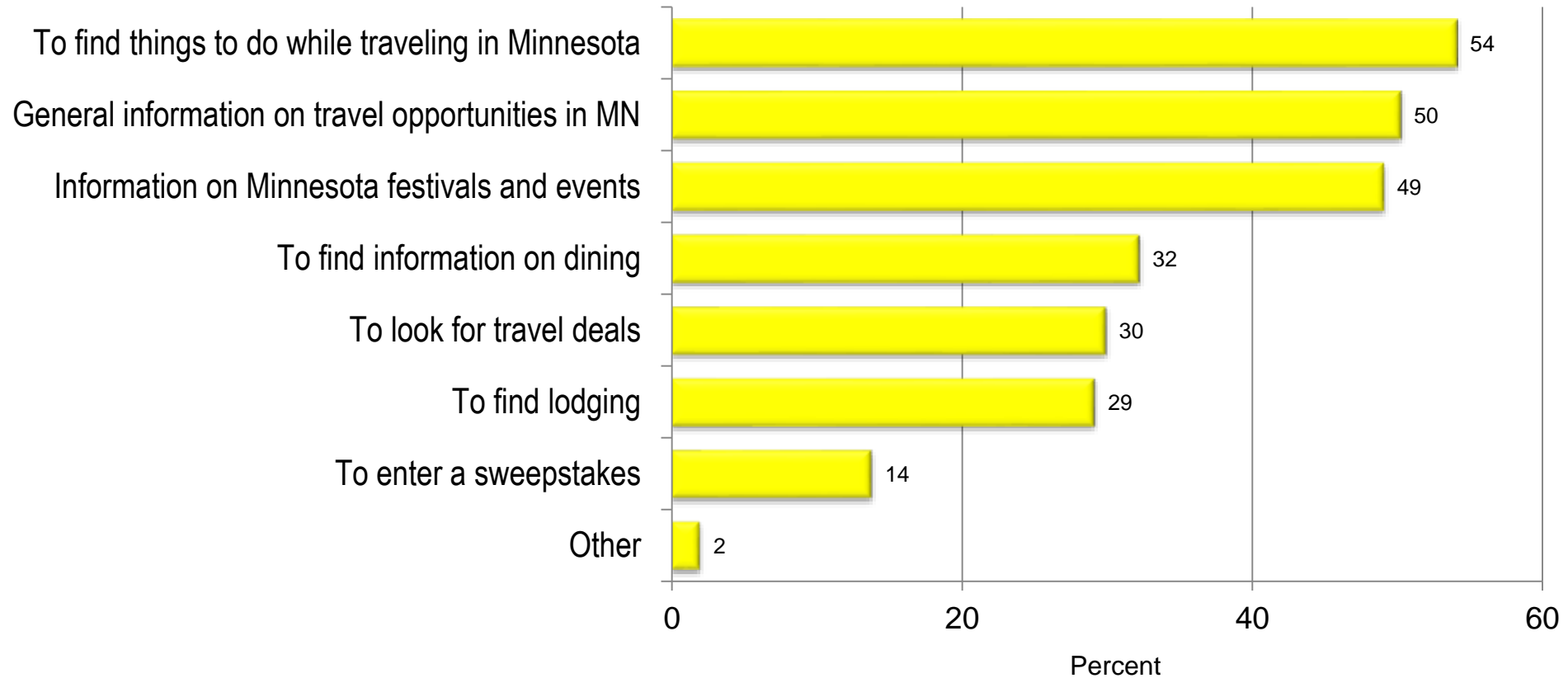
# How many times did you visit [www.exploreminnesota.com](http://www.exploreminnesota.com) in 2018?

Base: Those who visited [www.exploreminnesota.com](http://www.exploreminnesota.com)



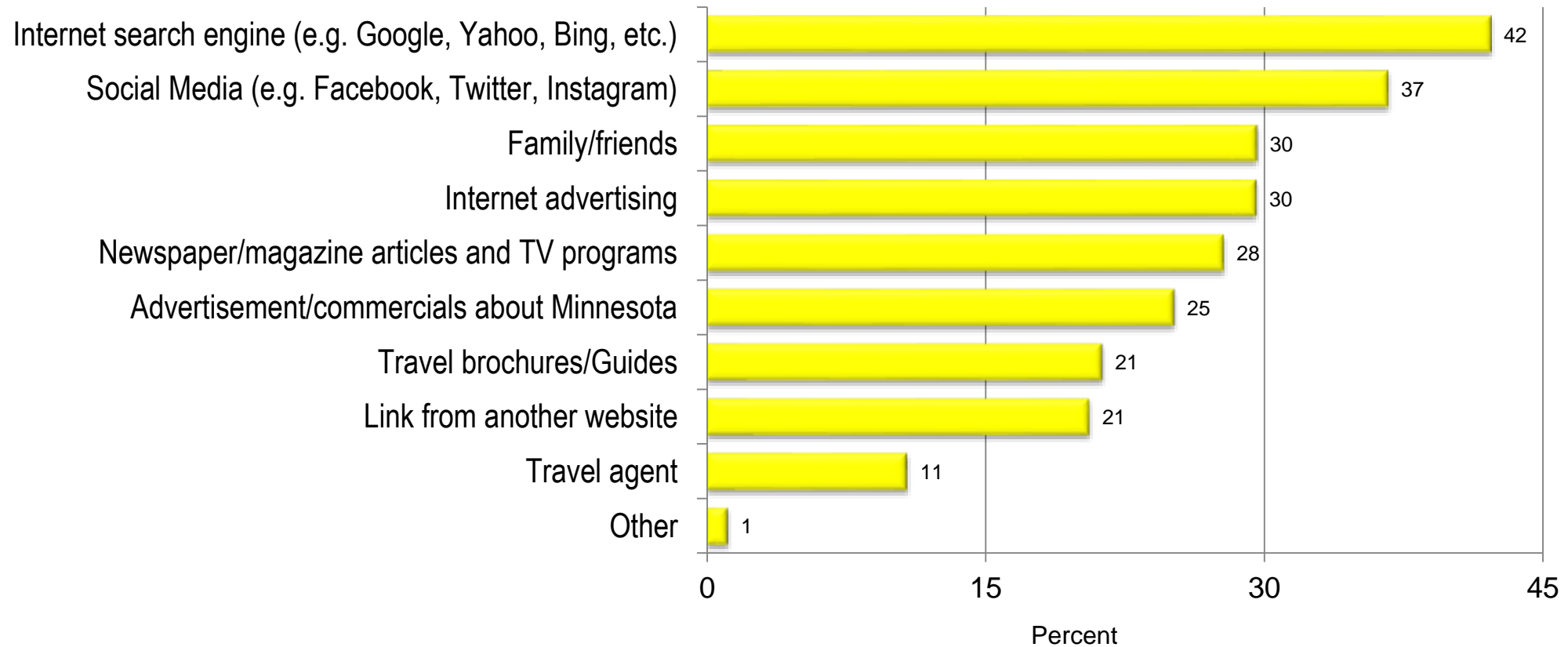
# What did you use the website [www.exploreminnesota.com](http://www.exploreminnesota.com) for?

Base: Those who visited [www.exploreminnesota.com](http://www.exploreminnesota.com)



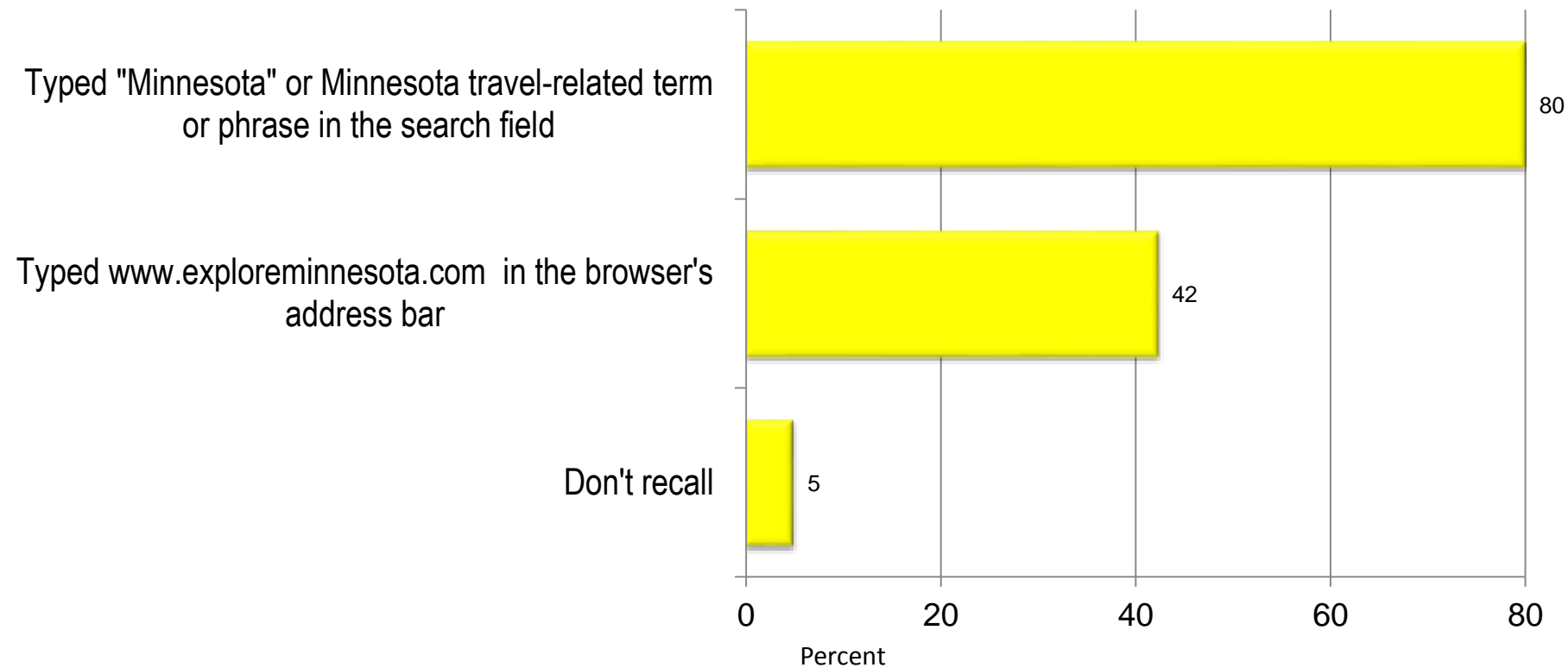
# How did you learn about the [www.exploreminnesota.com](http://www.exploreminnesota.com) website?

Base: Those who visited [www.exploreminnesota.com](http://www.exploreminnesota.com)



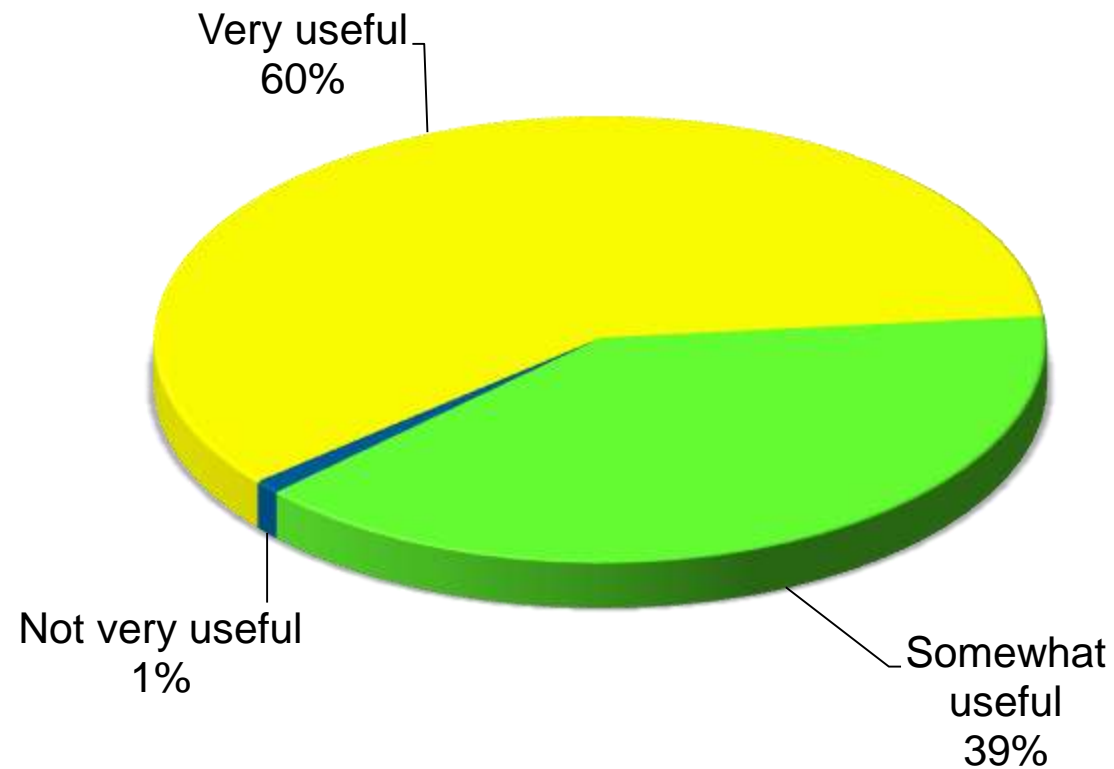
# How did you use the internet to reach the [www.exploreminnesota.com](http://www.exploreminnesota.com) website?

Base: Those who used internet search to reach www.exploreminnesota.com

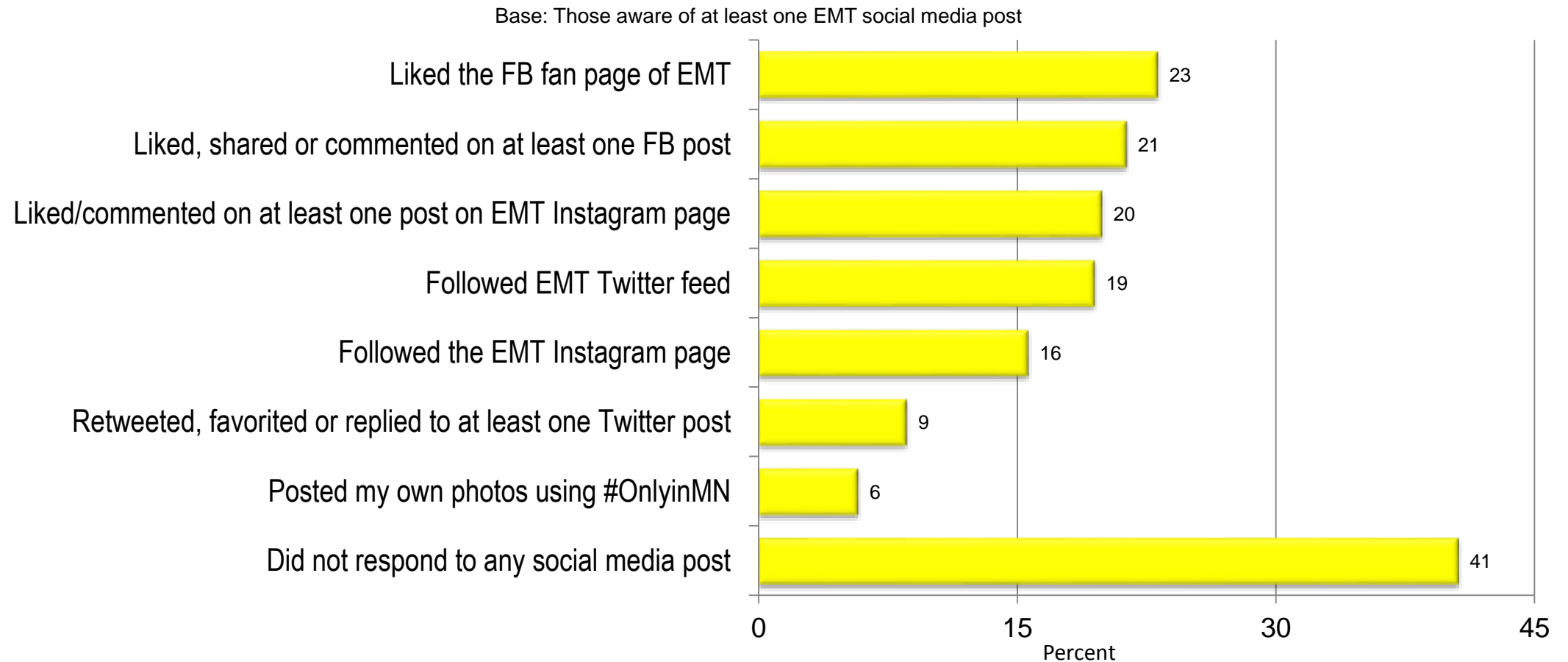


# How useful was the [www.exploreminnesota.com](http://www.exploreminnesota.com) website?

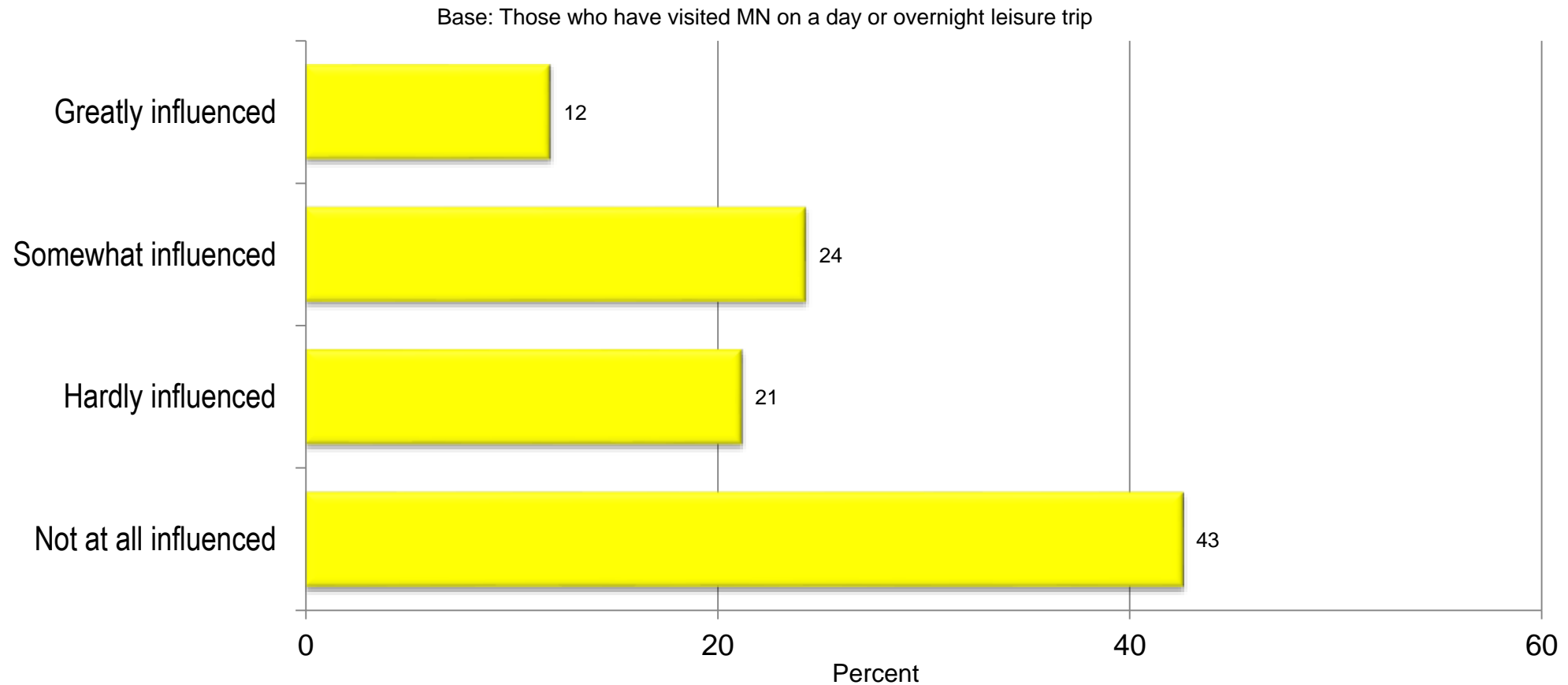
Base: Those who visited [www.exploreminnesota.com](http://www.exploreminnesota.com)



# What actions did you take after seeing Minnesota Social Media Posts?



# How much was your Minnesota travel influenced by posts of Minnesota travel photos, videos or comments on social media?





# How likely are you to recommend Minnesota as a travel destination to others?

